

June 4, 2003

McGraw-Hill Construction Executive Briefing

Prepared for the

Tri Services Cost Estimating
Conference

McGraw Hill
CONSTRUCTION
Dodge
Sweets
Architectural Record
ENR
Regional Publications

Agenda

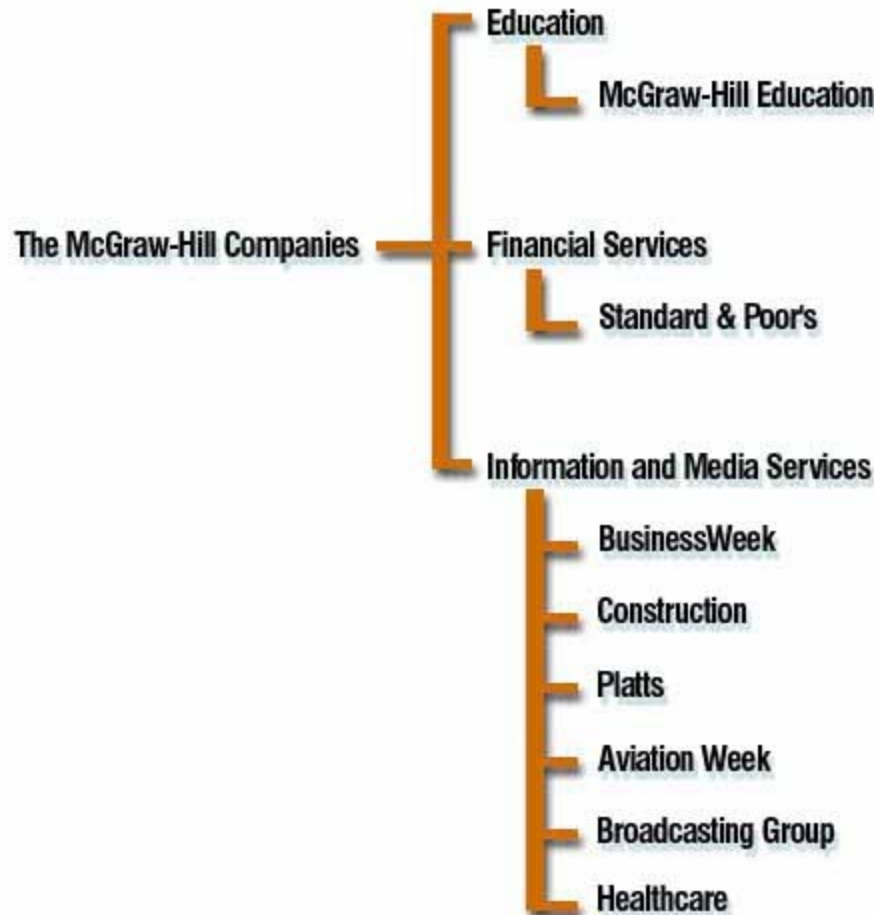
- **McGraw-Hill Overview**
- **McGraw-Hill Construction Advantage**
- **Project Planning and Management Tools**
 - Evaluate project environment
 - Forecast market activity/schedule production
 - Communicate project requirements and news to publics
 - Identify contractor activity in the project environment
 - Tri-Services work history
- **Next Steps**

- **Federal Government
Account Manager**
 - **McGraw-Hill
Construction**
 - **1200 G Street Suite 900
Washington DC 20005**
 - **www.construction.com**
- **National Sales Manager**
 - **McGraw-Hill
Construction**
 - **1200 G Street Suite 900
Washington DC 20005**
 - **www.construction.com**

The McGraw-Hill Companies

- **Founded in 1888**
- **A global information services provider meeting worldwide needs in three markets:**
 - Financial services
 - Education
 - Business information
- **Over 17,000 employees at 350 offices in 33 countries**
- **Record of consistent growth**
 - \$4.6 billion in sales (FY 2001)
 - 10 consecutive years of increases in revenue and earnings
 - 21.2% annual total return to shareholders since 1995, outperforming both S&P 500 (+12.7%) and our proxy peer group companies (+15.4%)

Renowned Brands In 3 Segments



STANDARD
& POOR'S
Setting the Standard

BusinessWeek

McGraw Hill
CONSTRUCTION

platts

The world of
AVIATION WEEK
www.AviationNow.com

McGraw Hill CONSTRUCTION

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History

Founded by James H. McGraw, Frederick W. Dodge and Clinton Sweet over 100 years ago

Today

Serve one million customers within the \$3.4 trillion global construction community, helping industry players save time, money and energy

Vision

Transform the global construction industry by setting new standards through connecting people, projects and products

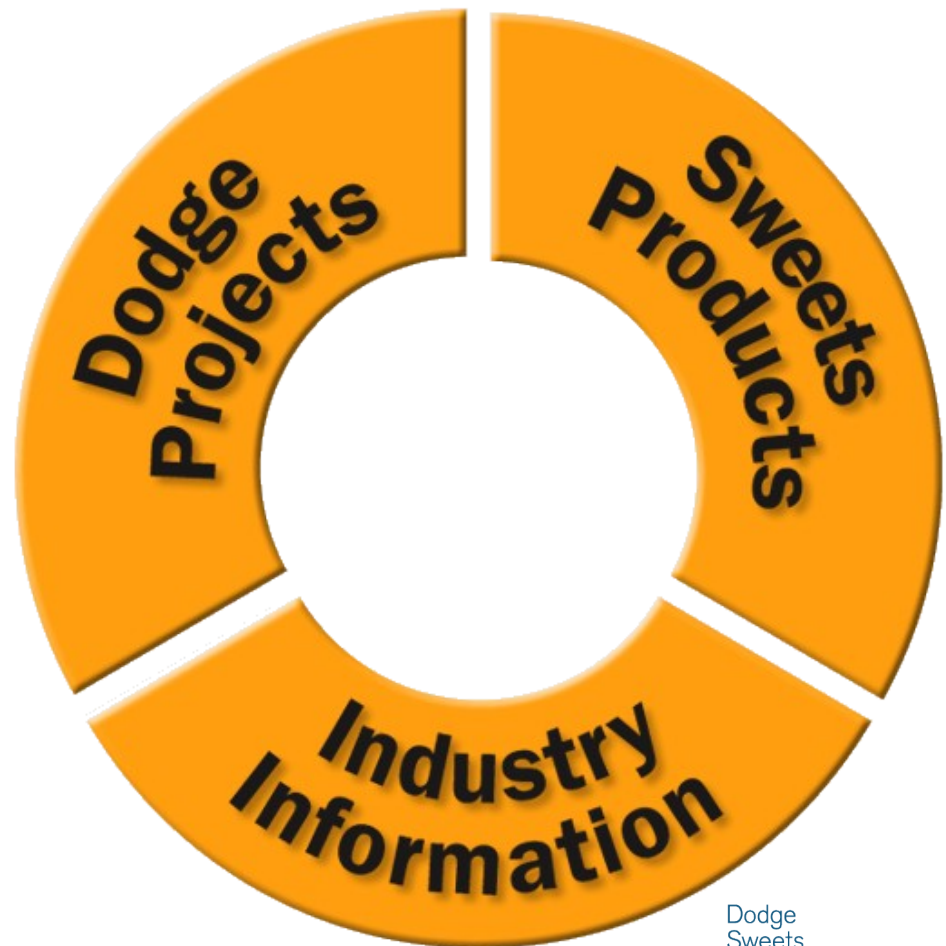
Industry Dynamics

■ Size:

- \$750 Billion dollar U.S. market
- Representing 8% of US GDP
- Serving a universe of 1,250,000 U.S firms
- Employing more than 10 million people

Connecting People_Projects_Products

- We connect people to projects, and products used in construction.
 - Dodge Project Marketplace
 - Sweets Product Marketplace
 - Publications are the industry News leaders
 - Largest industry web portal: construction.com



McGraw-Hill Construction Dodge Federal Government Work History

- **US Department of Labor OSHA and Davis Bacon Wage Survey**
- **US Census Bureau- project information used to support Value in Place (VIP) series for non-residential construction**
- **US Department of HUD- commercial construction information to support HUD analysis of creditworthiness of loan applications in specific markets**
- **Fannie Mae- statistical market analysis data to track commercial construction activity**

Dodge Federal Government Work history

- **US Bureau of Labor Statistics**- project information to support the Producer Price index demonstration program
- **US Department of Energy**- project information to support the EIA forecast of commercial building energy demand
- **US Department of Justice**- project information and building plans and specifications to support compliance with the American's with Disabilities Act
- **US GAO**- market information on construction of educational facilities

Dodge Federal Government Work History

- US Internal Revenue Service- contractor award information for tax collection
- US Postal Service- project information used for address and facilities management
- Federal Reserve Bank Board and System-market statistics used as an economic indicator
- NAVFAC-Market analysis information to support budgeting and appropriations
- US Army Corps of Engineers-market analysis information to support project management

Dodge Federal Government Work History

- **US Department of Education**-report educational facility construction
- **US EPA**- track efficiency improvements in energy technologies in commercial construction projects
- **Tennessee Valley Authority**-project information and market analysis to support sales of large commercial products and the increase of market share and “load” for TVA.

Industry Alliances

- **American Institute of Architects-** publisher of Architectural Record Magazine, official magazine of the AIA, lead supporter of AIA events.
- **Associated General Contractors-** agreement with AGC to provide McGraw-Hill Construction services to their members at a preferred customer discount
- **Associated Builders and Contractors-** agreement with ABC to provide McGraw-Hill Construction services to their members at a preferred customer discount

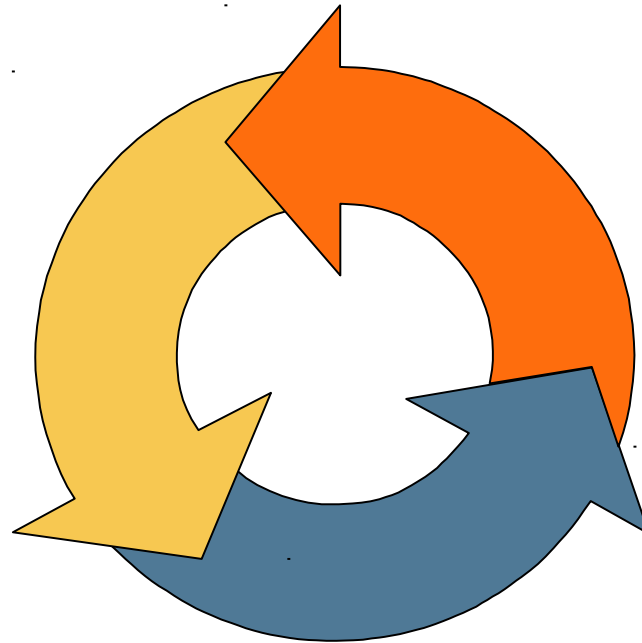
McGraw-Hill Construction

Helping You Reach Your Goals

We Provide Tools & Insights in the Following 3 Areas:

Information & Research

- Gain insights into market trends and competition
- Set performance targets and allocate budgets



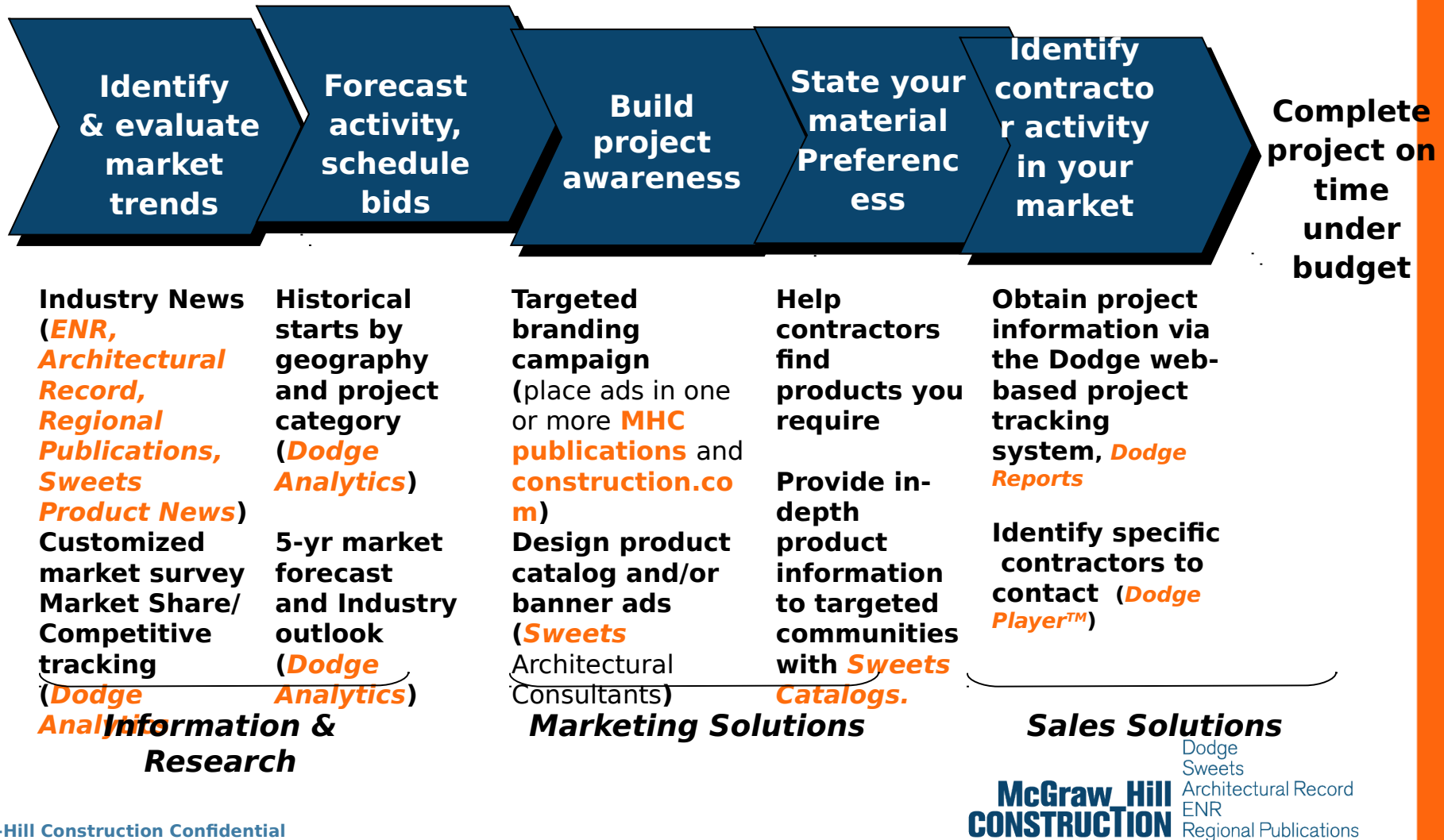
Management Solutions

- Identify and prioritize project action windows
- Reach key contractors
- Increase productivity and timeliness

Marketing Solutions

- Decide media mix
- Communicate with your publics
- Build project awareness
- Reach key local and contractor influences
- Strengthen marketing leverage

Example Of An Integrated Project Planning and Management Solution



► **Identify & evaluate market activity**

What are future construction trends?

What are other builders doing in my project environment?

How does other construction affect my project costs and labor pool?

How do I measure market forces?

Stay on top of trends with industry leading publications Engineering News Record (ENR), Architectural Record, Sweets Product News and 10 regional Dodge construction magazines.

Find out what the construction environment is by using Dodge analytical research tools to measure project starts and the planning pipeline. How does construction activity affect your costs.

Uncover where markets are expanding and where construction is slow. Let Dodge Analytics show you areas where construction activity will have the greatest effect on your cost and completion time.

► **Forecast
Starts ,
schedule
production**

When should you announce request for bids?

Will labor and material availability be affected by multiple project activity in my work environment?

Will contractors be available?

Review historical construction activity data by region and project type to do trend analysis.

Get a 5 year forecast of construction starts for your build environment to support project planning, budgeting and cost estimating.

► **Project
communication
tools**

How do I communicate with my publics?

How can I build awareness for my project plans, engender community acceptance and and help build bid response?

Send you message to architects and contractors using the industry leading publications Architectural Record and ENR.

Help educate architects and builders to your changing material and project security requirements in the Sweets Catalog and Sweets Product News publications.

Focus your message in one of ten local markets using our monthly regional magazine network. Reach the lead contractors and subcontractors in regional markets because construction is a local business.

Place your message online in front of over 1 million users. Advertise on our industry leading portal *construction.com*.



► **Track Construction Project Activity**

What is being built in my project environment?

How do I identify contractors who are already working on projects?

How can I build and manage relationships?

The Dodge project news database tracks more than 600,000 active projects so you know who is working in your project environment and what is being planned

Use Dodge's secure, web based project tracking system for current information updated daily.

Send project information electronically to your team

Dodge work experience with Tri-Services

- **NAVFAC used a Dodge report and forecast of construction market activity to support budgeting, and planning.**
- **Dodge delivered to the The USACE a test database of construction market activity and costs in the late '90s. Software to retrieve the data was slow but the forecast was found reliable.**

Next Steps

- **Dodge can deliver a customized sample database to the Tri-Services for evaluation. Once Dodge data is found useful we would present a cost and service proposal with use plan.**
- **Data may be posted on a secure government site for service wide access.**
- **McGraw-Hill Construction Dodge is presenting a mid year Construction forecast in Milwaukee/June 11, Minneapolis/June 12, Cleveland/June 19 and St. Louis/June 25. Contact Don Cotchen McGraw-Hill Construction Washington DC to attend as our guest.**

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